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TWO DEFENDANTS INDICTED
IN SUBPRIME MORTGAGE FRAUD SCHEME

SACRAMENTO - United States Attorney McGregor W. Scott announced today that a federal grand jury returned an indictment charging IFTIKHAR AHMAD, age 36, of Stockton, and MANPREET SINGH, age 24, formerly of Stockton, California now residing in Sacramento, with multiple counts of mail fraud in connection with a mortgage fraud scheme involving the "flipping" of multiple properties in the Stockton area. AHMAD was also charged with multiple counts of money laundering. Both defendants were previously arrested on a criminal complaint filed in connection with this investigation on August 16, 2007, and were released on bond.

The case is the product of an extensive investigation conducted by the Federal Bureau of Investigation, the Internal Revenue Service-Criminal Investigation Division, and the California Franchise Tax Board.

According to Assistant United States Attorneys Benjamin B. Wagner and Courtney J. Linn, who are prosecuting the case, the indictment charges that from July 2003 through October 2005, the defendants engaged in a scheme to defraud Long Beach Mortgage in connection with residential real property purchases primarily in the Stockton, California area, by engaging in fraudulent sales transactions at inflated prices. The indictment charges that between July 2003 and January 2005, AHMAD, through a company called I & R Investment Properties LLC, fraudulently sold (and in one instance resold) ten residential real properties, obtaining in excess of \$1.5 million in loan proceeds. In each of the transactions the purchaser financed the property with money borrowed from Long Beach Mortgage.

The indictment indicates that, as part of the scheme, AHMAD paid an associate several thousand dollars for recruiting straw purchasers to participate in the real property transactions. SINGH was paid at least \$22,300 for her participation as a straw purchaser in two of the transactions. AHMAD surreptitiously provided the purchaser's down payment in some of the transactions, and in each case loan applications were filed with Long Beach Mortgage which included false information about the purchaser. Some applications contained false information about the purchasers' employment and monthly income, and in some cases the loan applications included false identifying information and counterfeit documents.

The indictment further alleges that AHMAD engaged in transactions involving more than \$10,000 in fraud proceeds, and engaged in money laundering by conducting financial transactions intended to promote the mortgage fraud scheme.

“Mortgage fraud harms not just lenders, it harms the larger housing market and poses risks for our regional and national economy,” said United States Attorney McGregor Scott. "Federal law enforcement agencies, working in cooperation with our state and local law enforcement partners, will continue vigorously to investigate and prosecute those involved in these activities."

The maximum penalty for mail fraud is 30 years in prison, if the fraud affects a financial institution, and a fine of up to \$250,000. The maximum penalty for engaging in monetary transactions involving more than \$10,000 in crime proceeds is ten years in prison and a fine of \$250,000, and the maximum penalty for money laundering is 20 years in prison and a fine of up to \$500,000. However, the actual sentence will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables, and any applicable statutory sentencing factors.

The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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